



United States Department of Agriculture
Rural Development
Vermont/New Hampshire

**RURAL BUSINESS ENTERPRISE GRANTS
APPLICATION INSTRUCTIONS
GRANT PURPOSE **REVOLVING LOAN FUNDS****

Eligible applicants who are public bodies and private nonprofit corporations serving rural areas and they may use grant funds to finance small and emerging private business enterprises (<50 employees & < \$1MM in projected gross revenues) in rural areas.

The application selection process is competitive and grants are awarded based on a scoring criterion. Much of the criteria are objective based on economic and demographic statistics. However, factors such as leveraging, application amount, job creation, applicant experience and written evidence of commitment from small business that start-up or expansion will occur as a result of this grant will carry weight in the scoring process.

You may call the USDA Rural Development Business Programs Office in Concord at 603-223-6042 or in Montpelier at 802-828-6034 for assistance. Also you can find the regulation that governs this program, **1942-G, Rural Business Enterprise Grant and Television Demonstration Grants** including the score criteria 1942.305(b)(3), on the USDA regulations web page. http://www.rurdev.usda.gov/regs/regs_toc.html#1942

Before grant funds are released to the applicant to be loaned to an ultimate recipient (business / borrower), Rural Development must concur with the loan request to insure program eligibility and perform the necessary environmental review of the ultimate recipient. The ultimate recipient must be located in a rural area and the business ownership must be 51% US citizen or legally admitted resident.

You are advised against incurring obligations which cannot be fulfilled without federal funds.

<http://www.rurdev.usda.gov/vt>
Committed to the future of rural communities

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, DC 20250-9410 or call (800)795-3272 (voice) or (202) 720-6382 (TDD).

Attention All Applicants: To submit an application, please provide **one original plus one complete copy** of the following information. In addition, **New Hampshire Applicants only** must also submit **an additional six copies of the scope of work and SF 424, and SF 424A Budget, and the project location map.**

1. SCOPE OF WORK. Please submit in narrative format the scope of work. *The scope of work will be used to measure performance of the grantee. As a minimum the scope of work should contain the following.*

- Information which will establish / identify the need for the revolving loan fund. *Include a letter stating the purpose of the project; need for the project; and evidence that adequate credit is unavailable elsewhere*
- Applicant must identify the need and potential demand of a revolving loan fund in the service area *i.e., lack of conventional credit at reasonable rates and terms, on hand applications, recent active inquiries from legitimate potential borrowers, etc.*
- The specific purpose the grant funds will be used *i.e., revolving loan fund, target borrower/ businesses, specific geographic area, type of business, per cent of funds to be used in a total financing project, jobs to loan ratio, etc.*
- The timeframes or dates for action surrounding the use of funds will be accomplished. *Reasonable assurance that the applicant is able to utilize the total grant amount in a defined period of time i.e. 2 years.*
- Detail on the applicant's experience in operating a revolving loan fund. *I.e., history, if any, portfolio activity, successful loans, loan losses, etc.*
- Who will be carrying out the purpose for which the grant is made? *Please include key personnel and qualifications for administering the RLF.*
- How will the grant purpose be accomplished? *I.e., outreach activities, conventional lender relationships, underwriting and loan approval process, etc.*
- Documentation regarding the availability and amount of other funds to be used in conjunction with funds from Rural Development. *Must provide tangible evidence such as a letter of commitment from any existing and potential source of funds to be used in conjunction with Rural Development grant funds to receive points.*
- Financial Statements, which will demonstrate the financial ability of the applicant to administer the revolving loan fund. *As a minimum the financial statement will include a balance sheet and income statement.*
- Proposed project budget. *Operating budget for your organization's RLF.*

2. RELENDING PLAN. *The applicant shall develop a plan that will outline the purpose and administration of the fund. As a minimum the plan will include.*

- A list of communities to be served by the revolving loan fund, and information supporting the need for a revolving loan fund in these communities
- Purpose of the loans *i.e. working capital, real estate, machinery & equipment.*
- Planned projects to be financed. *Identify businesses to benefit, if available.*
- Sources of all non USDA funds including other funds available to leverage loans from the proposed loan fund
- Amount of technical assistance to be provided, if any, to customers / ultimate recipients.
- Number of jobs to be created / number of jobs to be saved with each loan or dollar amount and method of verification.
- Project priority and length of time involved in completion of each project.
- All businesses must be at least have 51% ownership of US Citizens or resident aliens, have 50 or fewer employees, and less than \$1million in projected gross revenues.
- Proposed specific rates and terms to be offered on each type of loan *i.e. working capital, real state, machinery & equipment.*
- Servicing policies, collection, bankruptcy, and liquidation procedures

Note: Copies of proposed application package (including RD 400-4), legal (Promissory Note, Mortgages, etc.) and any other closing documents will need to be reviewed prior to concurrence on first loan.

Each third party loan receiving USDA funds will be reviewed for eligibility (must be located in a rural area and ownership be at least 51% US citizen or legally admitted resident) and environmental compliance. When the applicant does not have a list of loans to be funded, the applicant should advise USDA at the time the application is submitted.

3. ORGANIZATIONAL DOCUMENTS. Please include the following:

- Non-profit organizations must provide a current (< 1 year old) Certificate of Good Standing from the Secretary of State, a current copy of your By-Laws, and a current copy of your Articles of Organization.

- Public Body / Municipality applicants must provide a Certificate of Organization.

4. FEDERAL INTEGRITY ACT. Please acknowledge and identify any known relationships or association that your organization, its employees, or Board Members may have with a USDA Rural Development employee, or advise if there is none. *Such acknowledgement will not affect your application status, but will allow us to make special provisions for processing your application.*

Please complete the following forms:

- SF 424, Application for Federal Assistance with SF 424A Budget, must be executed by the authorized official. Use Catalog of Federal Domestic Assistance (CDFA) # 10.769 and include your DUNS #
- SF 424B, Assurances Agreement must be executed by the authorized official
- Form AD-1047, Certificate Regarding Debarment, Suspension...
- Form AD-1049, Certificate Regarding Drug-Free Work Place
- Form RD 400-1, Equal Opportunity Agreement
- Form RD 400-4, Assurance Agreement
- SF 1180, Survey on Ensuring Equal Opportunity for Applicants
- Form RD 1940-20, Request for Environmental Information (call RD office before completing).

Attention All Applicants: Complete application packages must include submission of one original plus one complete copy of the above information. In addition, New Hampshire Applicants only must also submit an additional six copies of the scope of work, SF 424, SF 424A Budget, and a project location map.

Please send completed application packages to:

NEW HAMPSHIRE Projects:

USDA, Rural Development
ATTN: Business Programs
10 Ferry St., Box 317, Suite 218
Concord, NH 03301
603-223-6042

VERMONT Projects:

USDA, Rural Development
ATTN: Business Programs
89 Main St, 3rd Floor City Center
Montpelier, VT 05602
802-828-6034